UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

DATE: October 23, 1980

SUBJECT: ARCO/SOHIO Meeting

FROM: Raymond Nye

Environmental Protection Specialist

TO: File

1. Issue

ARCO/SOHIO feels the need to increase the seawater temperature in the injection pipes from 40° to 80° F to reduce possible mineral deposits on the pipe. To accomplish this, the Company proposes to install additional heaters which they hope to order by February 1, 1981. In lieu of submitting a PSD permit application for the proposed heaters, the Company would like to offset the emissions from PSD permitted sources that have not yet been built. The Company devised a plan whereby permitted sources from Increment I and II will be shut down or not built to comply with the no net increase provision.

EPA Response

EPA requested that the Company clearly define which emission points will be offset and demonstrate that there will be no net increase in emission from the "SWAP". Paul Boys was concerned that the emission factors and controls were not as stringent as the newer permits and would effect the various emission offsets. Rob Wilson approved the use of the TCM model, a previously approved non-guideline model for Waterflood and Increment II, to estimate the various changes in equipment impact. The Company feels confident that there will be no significant change in the worst case area.

2. Issue

EPA was informed that another PSD permit application will be forthcoming in two months. It appears that ARCO engineering did not have a proper handle on the design and energy needs required by the Waterflood project. Therefore, additional equipment is needed for the designed optimization of Waterflood. The only concerns expressed were that of Radian regarding modeling. The August 7, 1980 regulations no longer allow industry the flexibility to use non-EPA guideline models. Radian contends that the recommended ISC model is not yet a proven model and requests that they remain with TCM.

EPA Response

Rob prefers the ISC long term model over the TCM model because

